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*Via Certified Mail/Return Receipt Requested
& E-mail moran.gloria-small@epamail.epa.gov*

In Re: Agreed Order For Resumption Of Remedial Investigation And Feasibility Study

Dear Ms. Moran:

Thank you for the proposed Agreed Order For Resumption Of Remedial Investigation And Feasibility Study, and your cover letter, dated August 26, 2011. I have the following comments, questions and suggestions, they being:

- Paragraph G should be changed to reflect "approximately 50% of the RI/FS work has been completed." Neither Mr. Halasz nor I are aware of where the 75-80 numbers came from.
- Mr. Halasz has advised that TRC has complied with the provisions of paragraph 4 with the exception of the TRC Project Schedule, which is always subject to ongoing changes. This Schedule will be updated and submitted to the EPA. I do have a question as to the last sentence of paragraph 4. What is the scope of additional work contemplated under a "Technical Memorandum" from Mr. Casanova? A "Technical Memorandum" is a new term to us.
- Based on the work that has been completed and what has to be done and the timing with respect to the EPA's reviewing the work that is and will be done, TRC and Norco suggest in paragraph 5 that the years be changed to 2013 and that there be added at the end a comma and the phrase, "subject to undisclosed contingencies that become apparent during the course of the work." Norco will do all it can do to expedite the RI/FS work, but it is concerned about agreeing to time schedules over which it does not have total control.
- What is contemplated in paragraph 6 with respect to an oversight contractor? It appears that this is just laying on another layer of cost that doesn't add anything to

the substance of the clean-up. If an oversight contractor is to be implemented, Norco would appreciate a definition of the oversight contractor's role, some cap on what his charges would be, and whether his role will obviate the necessity of federal and state trustees.

- In paragraph 8, the current and any future replenishment of the Special Account will have to come out of the money that is placed in the Escrow Account. Norco does not have any funds other than the funds to be derived from the sale of the Refinery, and as I have indicated previously, at least \$3M out of the gross sale proceeds must be set aside for fees and outstanding obligations of Norco.
- Paragraph 9, frankly I was stunned by the amount of the penalty. This proposed penalty exceeds in no small amount the "crime" intended to punish. Norco did not intentionally and with improper motives stop the work contracted for under the AOC's. It simply ran out of money, with its only source of clean-up funds then being from the sale of the Refinery. Norco's actions at the site have included removing 7 million gallons of hazardous waste that was stored in the Tanks, thereby alleviating the risk of the tank contents polluting the environment, and the sampling of over 100 locations. Data indicate that to date there is minimal if any risk to human health or the environment. Norco was prepared to close the refinery sale at the end of March 2011 and resume the clean-up, except for the EPA's withdrawal of the remediation work. Had Norco known the EPA was in the process of withdrawing the work, it would have expedited the closing and resumed the work. Once the work was removed, the prospective buyer backed out of the sale contract. I had anticipated that some leniency would come into play in setting forth the penalty. The amount of the penalty was an issue that was never discussed. A \$500,000 penalty paid out of the Escrow Account is imminently fairer under the circumstances.

I am available to discuss these items with you at your convenience. On the timing and completion issues, Mr. Halasz is prepared to address them on behalf of Norco.

Very truly yours,


Richard F. Bergner

RFB:sjh